



## *Meeting No. 2023-01*

### **San Pedro Bay Ports Sustainable Supply Chain Advisory Committee *January Meeting Summary***

**Date:** January 18<sup>th</sup>, 2023 | 11:00 am – 3:00 pm

**Location:** Via Zoom conference

**Attachments:** Attachment A - Attendees  
Attachment B - Meeting Agenda  
Attachment C - Presentation - Committee Meeting  
Attachment D – Zero-Emission Funding and Resource Prioritization Recommendation (“Queen Mary Recommendation”)

#### ***Meeting Summary***

##### **1. Port Opening Remarks**

- a. POLB staff reported that cargo volumes have been very stable over the last few weeks, and while the approaching Chinese New Year marks a seasonal lull, the current economic conditions indicate lower-than-normal volumes. Staff is analyzing operational metrics:
  - i. Long dwell container count is down 95% on a year-on-year (YOY) basis.
  - ii. Intermodal long dwell count is down approximately 45%, a significant decrease.
  - iii. Approximately 55% of all containers on-terminal are empty, an issue which is being addressed. Overall, systems are moving efficiently.
  - iv. Current analysis is showing CY2022 cargo volumes were down ~2% YOY, leveling out the spike that continued in first half and deep drop in second half.
- b. POLB staff are coordinating with their board to align sustainability efforts including the CAAP and Green Corridor programs under a comprehensive effort to lower GHG emissions. Meanwhile, POLB submitted an application for CalSTA’s Port and Freight Infrastructure Program in early January. If awarded, funds will be used to further on-dock rail at Pier B, install zero-emission fueling infrastructure, and generally improve efficiencies and support emission reduction operations. Awards are anticipated within a few months. Other projects that are supported by grant funding are moving forward as scheduled, including the purchase of 60 battery-electric yard trucks for LBCT, funded by a prior grant award for \$30.1MM. Staff added that ARCHES – the state-wide coalition developing a green hydrogen hub application for the DOE, has established several working groups and POLB Executive Director Mario Cordero serves as co-chair of the Ports’ working group. The application is due by April 7, 2023.
- c. On POLA’s side, staff reported that Executive Director Gene Seroka has declared that the port is no longer backlogged, with no anchorages as far as 100 miles from shore. Cargo volumes are lower than usual, similar to pre-pandemic levels.



- d. Staff flagged that the Clean Truck Fund continues to garner commentary. POLA released a \$5M voucher solicitation in fall of 2022 but had only received four responses as of January 18, 2023. Staff requested the help of HTA and others to identify the barrier and take action to garner more responses. POLA understands that the lack of infrastructure and challenges surrounding ZE truck availability contribute to driver hesitancy to adopt ZEVs. Members proposed stacking grant funds to invest primarily in charging infrastructure.
  - i. Coming up, the POLA board is prepared to reevaluate the rate as the program reaches its one-year anniversary in April. Feedback from members is welcomed.
- e. The Green Shipping Corridor initiative is now in place with the Port of Shanghai, which is the primary point of origin for cargo coming to the SPBP. A meeting will be held with the Port of Singapore at the end of January to talk about the initiative. Singapore is the biggest bunkering hub in Asia, thus the conversation will focus on propagating uniformity through green shipping protocols and fuel resources across the Pacific Ocean's trade routes.
  - i. Staff observed that progress metrics and data capture is an important area of focus as it informs the program's progress benchmarking. For example, a typical vessel's emissions within 100 miles of the California shore is 5% of its trans-pacific trip emissions, suggesting that even a 10% reduction of emissions across a ship's trip results in sizeable reductions for ships in the Southern California air basin.
- 4. POLB recommended that staff working on this program deliver a formal presentation to the Committee. **GNA agreed to add this to the 2023 agenda.**
- f. POLB staff reminded the Committee and audience that educating the new mayors of Los Angeles and Long Beach as well as new council members on the purpose and goals of the committee would benefit the group's mission and inform work in 2023. Similar engagement with port advocates who recently assumed new roles in state and federal legislative positions would also be beneficial for the Committee's advocacy work particularly on funding.
- g. POLA staff added that strategic guidance about improving efficiency in the system of systems for goods movement would be valuable to their clean energy projects and operations.
- h. HTA responded to the ports' remarks by noting that the Committee has evolved since its inception, and identifying particular areas where further growth is needed. In particular:
  - i. Clean shipping and green corridors are achievable, so the supporting infrastructure should be prioritized.
  - ii. Regular and transparent communications from the Ports to the Committee about their progress on funding applications, including if there was resistance to funding on-road, public-facing charging infrastructure, can help inform the Committee's work.
  - iii. POLB staff noted that they have been asked to invest as far away as Riverside, but this is not the port's jurisdiction. However, partnership or incentivization is welcomed.
    - HTA clarified that the ports could advise on what areas they can control that could inform how the industry closes the infrastructure gaps and stimulates fleet interest in the available vouchers.



- Port of LA staff pointed out that there is a need to direct attention to address the infrastructure gap and suggested a strategic regional discussion about what and where equipment is needed. If zero emission truck deployments start to increase at the rate CARB anticipates then the fueling system as it is today won't be able to charge them.
  - It was noted that there is significant private capital waiting to invest in charging infrastructure, with companies like Shell, EVGo, Prologis and many others looking for opportunities to deploy capital to build zero emission infrastructure.
- i. EarthJustice highlighted that there is consensus on some locations being well-equipped to support charging infrastructure and recommended that more technical experts be included in these conversations.
- i. POLB staff observed that the Tidelands Trust terms define where money is spent outside of the district, and reiterated willingness to partner. The Trust referees state lands. EarthJustice suggested that the Ports could prepare technical material for the Trust to consider and better understand the need and opportunity at a specific set of sites.
- j. Representatives from the City of LA shared that they have been supporting a working group on this issue but that it does not have strong representation from the regional planning aspect, and asked what efforts would be helped by a mayoral directive.
- i. POLB confirmed that the ports need an organized, regional approach and that guidance or convening by the mayors would be a huge help. It pointed out that other entities at state and federal levels are collaborating and identifying priorities to properly distribute funding for regional issues. The ports could spearhead initial development, and the Committee could be an asset in addressing regional leadership. It was noted that the delay of the SCAG study has been detrimental to their progress, leaving a gap that needs filling.
  - ii. POLB shared that they are currently exploring their capabilities within their boundaries, and given grant restrictions. For example:
    - POLB released a RFI in 2022, and is developing a RFP to develop two on-port charging sites that will be released later this year.
    - POLA is proposing to increase the ratio that infrastructure receives from the Clean Truck Fund.
    - Some available funding is outside of the port's boundaries, but still important, such as MSRC. Strategic planning is needed to effectively navigate state lands while also addressing drayage truck operations.
  - iii. The meeting audience requested that GNA help identify appropriate stakeholders to address regional planning considerations with the City's working group. **GNA agreed to discuss further with city staff.**
- k. HTA commented that up to 75% of the fleet for port drayage will need public charging, and that there were minimal reductions in truck counts with the 2007 Drayage Truck Regulation sunset on December 31, 2022. The decline in cargo volumes has meant that no pressure has been observed on the drayage system at this point in time.
- 1. HTA suggested that the ports facilitate a simple survey to understand why fleets aren't applying for vouchers; HTA is a ready partner.



- I. GNA noted that the estimated release of the SCAG study is 18-24 months. While the study would be impactful, current needs should be prioritized to avoid delays.
    - i. The group requested that HTA members attend the March meeting to share their experiences and needs. HTA expressed support and commented that it would also like to hear more on permitting jurisdiction and utility service capabilities.
    - ii. The group noted interest in real-time coordinated action.
  - m. PMSA asked the ports for an update on their outreach effort to identify infrastructure problems. While the price of ZE vehicles are very high and grant funding is limited, what evidence do the ports have that the trucks are satisfactory? If the problem is multi-faceted, then the solution should be as well.
    - i. HTA reported a current base cost of Class 8 BEVs of approximately \$390K-\$500K (pre sales tax and FET). Battery prices are rising, so the vehicle price is expected to rise. BEVs are not optimal for every route, and HTA suggested CARB focus its regulation on a specific area of drayage, as opposed to the entire drayage industry at the outset. CARB conducted a survey and reported that a majority of fleets travel a maximum of 150 miles a day which is achievable with the current BEVs, but a truck traveling from SPBP to a destination further than the valley cannot count on a BEV.
    - ii. ILWU asked about leasing options and applicability. HTA shared that for a small fleet to transition to a ZEV is still thousands of dollars per month. The advantages of the “Trucking As a Service” model include parking and maintenance services being included.
    - iii. POLA summarized that current demand exceeds the supply, and vehicle performance still needs improvement. HTA reiterated that a \$150K voucher from a \$500K base price is still difficult to finance.
  - n. Invitations were extended for POLA’s State of the Port, scheduled for January 19, 2023, and POLB’s State of the Port, scheduled for January 26, 2023.
2. Review & Approve November Meeting Summary
    - a. CCA provided minor grammatical edits, and the meeting summary was approved. **GNA will post it on the Committee’s website.**
  3. Committee Action Updates
    - a. Queen Mary Recommendation
      - i. Approved with three abstentions. **GNA will post it on the Committee’s website and circulate to port and city staff.**
    - b. Federal Funding Letter of Support
      - i. GNA confirmed for South Coast AQMD that the letter is for general comment on EPA funds. South Coast AQMD provided a correction and extension to the list of identified addressees.
      - ii. PMSA expressed concern with the addition of the words “human-operated” and recommended more neutral language surrounding equipment.
        - ILWU responded that the subject legislation governing the funds that the letter is advocating for includes this term, and so it should continue to be highlighted.
        - The two parties agreed to talk off-line to determine if a compromise could be reached.



- iii. HTA suggested shifting the letter’s focus away from equipment and focusing on fair share funding.
  - FuturePorts asserted that “fair share” doesn’t sufficiently recognize the ports’ volumes and socio-economic impact; a higher percentage should be demanded. FuturePorts encouraged members to avoid self-limiting language and request adequate funding to support the ports that contribute to the cargo delivery and jobs across the nation.
  - HTA asked whether "fair share" is a colloquial term, and FuturePorts said that regardless of connotation, the two ports have earned 90% of the available funding. Instead of focusing on share of funds, FuturePorts suggested highlighting that a larger allotment supports increased investment supports commerce and jobs. EarthJustice reminded the group that since a large portion of funding originates from the IRA, there are sensitivities when making demands. Representatives from the City of LA suggested “proportional” instead of “fair share.” No objections were raised.
  - EarthJustice added that language around non-attainment would be meaningful - \$750M is set-aside for non-attainment areas and South Coast AQMD is recommended to receive a significant investment due to a notable percentage of its territory being within PM and ozone non-attainment areas.
  - CCA pointed out that the disagreement between ILWU and PMSA needs to be resolved in order for the letter to be approved and sent from the Committee.
- iv. It was suggested that the letter should focus on getting larger sums of funding without tying in too many specifics at this early stage. Any funds that ports receive must go through several administrative processes to determine how they are spent, and those processes are an opportunity to assert interests.
- v. GNA noted that the deadline is today, and the group observed that it was unlikely that a draft would receive unanimous approval in time. Port staff noted that they have already submitted separate comment letters, but that input from the SSCAC always adds value.
- vi. EarthJustice adds that any letter must be explicit that the funding is for port applications, as EPA IRA funds support clean energy projects of all kinds.
- vii. POLB, EarthJustice and FuturePorts encouraged the Committee to educate and work with lobbyists and connections in the legislature to ensure consistent and significant funding attention to the SPBPs. POLB recommends contacting EPA Region 9 as well as the federal office. Martha Guzman is a good point of contact. **GNA agreed to coordinate with stakeholders on legislator involvement in 2023 meetings.**
- viii. Next Steps
  - **GNA agreed to meet with ILWU and PMSA after the meeting to determine if a compromise could be reached. If not, then GNA committed to distributing a template letter for Committee members to send in under their own letterhead.**

#### 4. SSCAC Member Priorities & Activities



- a. GRID Alternative eTRUC-RHETTA Update
    - i. Member GRID Alternative provided an update on this CEC-funded project managed by EPRI and CALSTART. GRID is currently surveying for potential employment opportunities that align with port-related affairs. To support this effort, advisory committee meetings focusing on workforce are being held in the near term. In addition, partnerships are being developed to address concerns regarding charging infrastructure and education. Noted more opportunities for engagement will arise near March.
    - ii. POLB asked if the project addresses grid resiliency. GRID clarified that it does not during the pilot phase (current status), but this is in consideration for future phases.
  - b. EarthJustice noted that it has developed a summary of the programs funded by the Inflation Reduction Act which could support members' and ports' efforts. GNA agreed to share the document with members following the meeting.
5. Discussion
- a. Core Themes & Topics for 2023 Meetings
    - i. Action-oriented discussion
      - GNA shared with the group that multiple members had expressed a desire for "action-oriented" discussion and meeting agendas in 2023, during their 1:1 meetings with GNA in December. GNA has approached its agenda development with this in mind.
      - GNA provided a detailed introduction to the subsequent topics and core considerations for 2023.
    - ii. Infrastructure
      - POLA said it would be helpful to have fuel providers share their perspective on the availability of green fuels, such as ammonia, hydrogen, and e-methanol, in large amounts. GNA noted that due to the international scale of the fuel providers scope, sufficient lead time would be required to organize a discussion but that this should work well considering the meeting on marine fueling and infrastructure will be later in the year.
      - GNA noted that the ports are involved in several hydrogen fuel-related projects including the Toyota truck demonstration project, cargo handling equipment projects at FMS and SSA terminals, and application to the DOE's Hydrogen Hub program through the state coalition ARCHES.
      - Speaking to the topic of on-road vehicles, GNA noted that the SSCAC observed that infrastructure is the leading concern at this time for the ports' ZEV mandates and suggested engaging fuel providers in a meeting to discuss their current capabilities, capitalization, and the cost of ancillary services on operations. Equity and other socio-economic topics should be considered, particularly in anticipation of the proposed Advanced Clean Fleets regulation. Better understanding of capabilities of local utilities, including service levels and timelines, is an important component.



- Regarding cargo handling equipment, GNA reiterated that discussions with and actions from the local utilities about their real and near-term capabilities was needed. With the CAAP's 2030 deadline on the horizon, committee members were asked to brainstorm how to address bottlenecks and accelerate progress with power access.
    - a. ILWU posited whether the 2030 deadline for ZE CHE is achievable given current levels of investment, and, a lack of visible infrastructure and commitments.
  - Regarding inland, on-dock, and near-dock rail activities, CCA proposed connecting with stakeholders in short haul, where different technologies have greater potential impact. While not on-dock, they are a key part of the ports' supply chain operations. GNA suggested the PHL short haul site for a potential field trip.
- iii. Funding & Regulation
- CCA noted that the California Transportation Commission has committed hundreds of millions to port and freight related activities. **GNA agreed to update the presentation with some funding incentives administered by the California Transportation Commission.**
  - GNA noted that CARB's proposed Advanced Clean Fleet regulation is an area of interest and priority and will be discussed in March; CARB is expected to bring its proposal to the Board at its April 27, 2023 meeting.
- iv. Socio-economic Impacts
- GNA summarized several comments from the SSCAC members that socio-economic impacts of port operations must be a key focal point of ongoing discussions, as any technology transition has a significant impact on individual and community health and financial stability.
  - Discussions in 2023 should consider how work in this sector can responsibly attend to jobs, and how to use health studies to inform technology decisions and prioritizations, as well as the impact of diversion and lost cargo.
- v. Group Discussion
- ILWU spoke to the socio-economic impacts, reminding the group about the concept of ENV-ECO justice which is predicated on the observation that socio-economic status is one of the most powerful predictors of disease and mortality. Members of the Committee and audience agreed with the need to recognize this in the Committee's and ports' work.
  - The group returned to the first point about action-oriented discussion.
    - a. Representatives from the City of LA expressed their concerns about power supply limitations, as well as CEQA delays, and asked whether members of the group were familiar with possible solutions.
    - b. CCA noted that there is misalignment between stakeholders and utility personnel who have not provided clear and consistent answers over time. These questions need to be persistently asked, and the Committee should hold the utilities



- to providing a clear and actionable response, so that the challenges can be identified and solutions enacted by the ports.
- c. The group agreed that it should meet with PUC, utility representatives, and lobbying groups to understand each other's needs. GNA agreed to note this in its agenda planning for 2023.
- HTA inquired about the utilities' stance on AB2127, and how much analysis such as site walks have been completed. HTA asked whether this information may be publicly disclosed, or if the ports could request this for the land within their jurisdiction. HTA commented that creating a clear boundary of physical land in consideration for port work, and of that, land that is zoned for heavy industrial operations, would be a strong basis for a productive discussion with utilities.
    - a. It was suggested that requesting a list of challenges local utilities face so that stakeholders could identify solutions or short-term pathways to streamline projects.
    - b. HTA clarified that the priority is not to incriminate CEQA but identify hurdles that can be addressed. Others supported this, noting that challenges may also be arising due to local restraints. These require unique consideration.
  - GRID suggested coordinating with agencies administering incentive programs to align their goals, deadlines, and partners with those of port stakeholders.
  - ILWU shared a resource to better understand the effects CO<sup>2</sup> of zero-emission trucks - "Understanding the CO<sub>2</sub> Impacts of Zero-Emission Trucks". This was written by the American Transportation Research Institute in May 2022.
    - a. ILWU reiterated its concern that the 2030 ZE goals of the CAAP are attainable and inquired what the consequences are if goals are not met? Further asks if less than zero-emission will suffice in the meantime, or will the deadline need to be postponed?
    - b. HTA and EarthJustice noted having had a prior debate over social media on this topic. There are state law considerations relative to useful life on a truck and this can affect the truck's real carbon footprint. Further discussion is needed regarding what happens locally. HTA pointed to a separate study demonstrating that the carbon footprint of some HDVs drops in their later years. Complete electrification will not occur in 2024, but ~2,500 trucks could be immediately removed from usage due to regulations on engine age.
  - HTA directed its questions regarding AB2127 to member CEC.
    - a. CEC noted that an internal team is currently updating the data and an update will be published sometime in 2023. In the meantime, CEC will regroup internally and can respond separately.





- b. CEC added that Commissioner Monahan and other entities are in communication with the CPUC regarding the needs of grant recipients. According to Commissioner Monahan, the upcoming Integrated Energy Policy Report (IEPR) will focus on utility activities in 2023 to address the challenges heavy-duty transportation projects are facing. Several workshops and meetings are being planned to address concerns including the power capacity constraints and utility delays for large-scale projects, and the time gap between award and new project completion dates. An initial meeting was held earlier this year. The CEC encouraged members and meeting audience to participate. **The CEC agreed to confirm the next meeting date and notify the group.**
  - c. HTA asked whether CEC can share whose projects are facing these delays and what specific bottlenecks they are encountering.
    - i. CEC has only recently become aware of the issues being discussed, but is committed to identifying choke points. Recently, the concerns were switchgear supply and shipping delays, and the need to change components after a project award in order to meet project deadlines.
    - ii. **GNA asked to discuss these issues with CEC to understand common barriers to other similar project delays in SoCal and how the Committee can assist with solutions.**
  - d. Representatives from the City of LA summarized the lengthiness of interconnection approvals and project permitting, particularly for projects that span multiple jurisdictions. Citing recent conversations with LADWP, it shared that one complaint was a lack of project details needed to conduct assessments and offer timeline predictions, and another is staffing shortages due to private utilities offering better employment packages for junior-level staff.
- POLB inquired about CEC's coordination with CARB to achieve the state's zero-emission goals.
    - a. CEC noted that it works closely with CARB, specifically in regard to developing funding incentives. Coordination has increased over the last several years, and they will continue streamline applications for zero-emission projects.
  - HTA suggested working backwards and starting with the question, "what can the utilities do", then prioritizing projects that are feasible within those constraints today. Near-zero should be seen as intermittent, allowing for stakeholders to ameliorate issues caused by diesel fuel until solutions can be enacted by utilities.



- a. The City commented that there are multiple groups within LADWP working on this issue and pulling data together.
  - b. Tentative 2023 Agenda
    - i. GNA provided a summary of the proposed schedule of topics for 2023, (**Attachments B and C**), noting that this would be in regular development as the year progressed. Members were invited to share ideas for speakers and discussions.
6. Committee Administration
  - a. Mayoral engagement
    - i. GNA shared that it is coordinating with staff at the ports and cities to act on the POLB's recommendation that the new mayors receive a briefing on the SSCAC. It will continue to coordinate as each administration builds its team in the coming weeks and months.
  - b. In-person meetings
    - i. Both POLA and POLB recognize continuing with remote meetings allows for increased participation, as it eliminates travel time. No formal motion was made to resume regular in-person meetings at this time, but it was noted that where in-person meetings could be coordinated with site visits, that would be a good reason to get the Committee back together in person.
  - c. Field Trips
    - i. GNA presented a list of field trips to consider for 2023 (**Attachment C**) and noted that these could offer a balance to remote meetings.
7. Conclusion & Next Steps
  - a. Next meeting: March 15th



**Attachment A**  
List of Meeting Participants

<b>SSCAC Committee Members</b>	
Marnie Primmer	FuturePorts
Michele Grubbs	PMSA
Thomas Jelenic	PMSA
Mei Wang	South Coast AQMD
Joe Lyou	CCA
Chris Chavez	CCA
Stella Ursua	Grid Alternatives
Sal DiCostanzo	ILWU-13
Adrian Martinez	EarthJustice
Michelle Vater	CEC
Louis Dominguez	San Pedro Neighborhood Council
Matt Schrap	Harbor Trucking Association
Kristal Romero	Los Angeles County Federation of Labor
<b>Los Angeles Port &amp; City Staff</b>	
Teresa Pisano	Port of Los Angeles
Tim DeMoss	Port of Los Angeles
Chris Cannon	Port of Los Angeles
Erick Martell	Port of Los Angeles
Lauren Faber O'Connor	Mayor Karen Bass' Office
Michael Samulon	Mayor Karen Bass' Office
David Ou	Mayor Karen Bass' Office
Robert Park	Mayor Karen Bass' Office
Artie Mandel	Mayor Karen Bass' Office
<b>Long Beach Port &amp; City Staff</b>	
Heather Tomley	Port of Long Beach
Wei Chi	Port of Long Beach
Rick Cameron	Port of Long Beach
Sam Joumblat	Port of Long Beach
Rose Szoke	Port of Long Beach
<b>Meeting Facilitation Staff</b>	
Eleanor Johnstone	GNA
Christopher Davis	GNA
Erik Neandross	GNA
<b>Other Stakeholders</b>	



Regina Hsu	EarthJustice
Ana Dragin	Councilman Joe Buscaino's Office
Jacob Haik	Councilman Joe Buscaino's Office
Sergio Carrillo	Councilman Joe Buscaino's Office



## **Attachment B**

### **Meeting Agenda**

1. Port Opening Remarks
2. Review & Approve November Meeting Summary
3. Committee Action Updates
  - a. Queen Mary Recommendation
  - b. Federal Funding Letter of Support
4. SSCAC Member Priorities & Activities
  - a. GRID Alternative eTRUC-RHETTA Update
5. Discussion
  - a. Core Themes & Topics for 2023 Meetings
    - i. Action-oriented discussion
    - ii. Infrastructure
      - Marine Fuels
      - Hydrogen fuel (truck & CHE)
      - On-road truck
      - CHE
      - On/near-dock rail and inland rail facilities
    - iii. Funding & Regulation
    - iv. Socio-economic Impacts
      - "ENV-ECO Justice," jobs, and Faces of SoCal Goods Movement
      - Public health & near-zero solutions
6. Tentative 2023 Agenda
  - a. March: Trucks & Trucking Infrastructure
  - b. May: CHE & On-dock Infrastructure
  - c. July: Workforce Development
  - d. September: Marine Vessels
  - e. November: Rail
7. Committee Administration
  - a. Mayoral engagement
  - b. In-person meetings
  - c. Field Trips
8. Conclusion & Next Steps
  - a. Next meeting: March 15th



**Attachment C**  
Presentation - Committee Meeting



**Attachment D**

Zero-Emission Funding and Resource Prioritization Recommendation